VoIP Providers Announce Significant Progress on E911

In order to help accelerate 911 solutions for VoIP, the VON Coalition, for the second year in a row, surveyed the VoIP service providers to gauge industry progress in providing 911. The survey also identified hurdles that could slow the nationwide deployment of E911. The results of the survey are based on the responses from 12 leading providers of an interconnected VoIP service that are working to implement the FCC's E911 rules.

Summary:
The results of the VON Coalition's E911 survey indicate that VoIP providers have made substantial progress in advancing their 911 solutions. The survey finds that:

- VoIP providers have made implementing 911 one of their top priorities
- VoIP providers have used their very best efforts to comply with the FCC's requirements
- the FCC's E911 Order has helped accelerate industry action
- VoIP consumers are now better informed about the availability of 911 than any other class of phone users
- VoIP providers have made faster progress implementing 911 than any other class of phone service provider
- fewer VoIP subscribers will lack E911 as of November 28, 2005 than any other phone service
- As of November 28,2005, there will not be a nationwide nomadic or fixed E911 solution for interconnected VoIP.

Key items that could further accelerate VoIP 911 implementation and longer-term emergency services solutions include: the existence of third party 911 service providers with nationwide nomadic 911 capability; more time to comply with the FCC Order; equivalent liability protection; and direct access to the existing 911 network infrastructure.

Nearly half of those surveyed expect they will have to shut off customers because they cannot meet the November 28, 2005 deadline – these customers include residential subscribers, small businesses, rural Americans, and even government agencies that use VoIP.

Key Findings:

VoIP Providers Are Working Hard to Implement the FCC's E911 Order:

- ***Companies Used Best Efforts To Comply.*** 100% of respondents say their company has "used its very best efforts" to comply with the FCC's E911 Order.
- ***FCC's Order Helped Accelerate Efforts.*** 83% report that the FCC's E911 Order helped focus their company's attention on this issue and accelerate efforts.
- ***Consumers Are Better Protected Because of the FCC's E911 Order.*** 58% believe their customers are better protected in an emergency because of the FCC's E911 Order.

FCC Order Has Accelerated E911 Efforts:
Respondents cited several areas of progress resulting from the FCC's leadership on E911. They include:

- Greater industry cooperation and coordination
- Greater public awareness of the issue
- New efforts to designate a pseudo-ANI Administrator

Impressive Progress Has Been Made:
Based on the survey responses and other available data, the VON Coalition estimates that by November 28, 2005, VoIP providers will have:

- **Deployed E911 Faster Than Any Other Phone Service**: Overall, the VoIP industry is making faster progress in providing E911 than any other communication medium -- wireline E911 took 40 years to deploy and is still not complete; roughly 40% of Americans still lack E911 for wireless services; no satellite phone service offers E911; and enterprise PBXs still don't universally have E911. It has been said that wireline progress on E911 occurred at a snail's pace, wireless at a turtle's pace, and VoIP, in just 120 days, has made progress at a jaguar's pace.

- **Fewer Without E911 Than Any Other Type of Phone Service**: Even though only 2% of all 911 calls are projected to come from VoIP users next year, by November 28, 2005, there are likely to be fewer VoIP subscribers without E911 than any other phone users.

    - Of an estimated 2.5 million VoIP subscribers, the vast majority are projected to have E911. The bulk of these E911 subscribers are using a fixed VoIP service. The VON Coalition estimates that there will be 750,000 mostly nomadic residential VoIP customers who, by November 28, 2005, will have access to only basic 911 (not E911.)

        - In fact, 42% of interconnected VoIP providers responding to the VON Coalition survey estimate that 100% of their VoIP customers will have E911 for their primary fixed location users by November 28, 2005.

    - VoIP services will have fewer subscribers without E911 than any other type of phone user:

        - fewer than the estimated 1.5 million wireline phone users without E911 (despite 40 years of efforts),
        - fewer than the estimated 81 million wireless subscribers (41% of Americans) who live in areas without Phase II wireless E911 (despite a decade of progress).
        - fewer than the enterprise PBXs users where E911 is required in only 13 states (despite a decade of progress)
        - and roughly on par with the 885,000 mobile satellite phone subscribers – none of which have E911 – but who are now required to have a basic 911 emergency call center in place by February 2006.

- In no other case to our knowledge has the FCC required that consumers who have only basic 911 be shut off from their communication service.

- ***VoIP Consumers Are Now Better Informed Than Any Other Phone Users.*** 82% of respondents agree that VoIP users are now better informed about their 911 capabilities than any other class of phone users.

Significant Challenges Exist:
Companies responding to the survey cited common challenges they have encountered to implementing E911 solutions. Some of the challenges include:

- No direct access to trunks, selective routers, and E911 databases
- Lack of a nationwide nomadic E911 solution
- An aggressive deadline
- The absence of an Interim Numbering Administrator
- Small companies lack leverage in negotiating with third party 911 providers
- 911 gateway providers charging high prices
- Scheduling end-to-end testing between the PSAP/VPC/ESGW/VSP
- Delayed timelines for deployment
- PSAP Outreach

No Nationwide Nomadic E911 Solution:
The VON Coalition estimates that by November 28, 2005 there won't be a nationwide nomadic E911 solution.

- ***Facilities-based Providers Serving Fixed Users Near 100% Coverage.*** VoIP providers who also own the underlying network will likely have near 100% E911 coverage for their fixed VoIP customers (where the telephone number matches the local rate center boundary.) However, they won't have access to a nationwide nomadic solution if the phone is capable of being moved and used from any Internet connection.
- ***Fixed Users Using Unaffiliated Service Providers in Top 50 MSAs.*** For unaffiliated VoIP providers providing a fixed VoIP service, 911 solution providers covering roughly 67% of Americans (in roughly the 50 largest MSAs) are likely to have an E911 solution available.
- ***Nomadic Services – Nearly 50% of the Population in the Top 20 MSAs.*** There will be no nationwide E911 nomadic solution by November 28, 2005. The VON Coalition expects nomadic solution providers to reach an estimated 50% of the population in the top 20 MSAs by November 28, 2005.

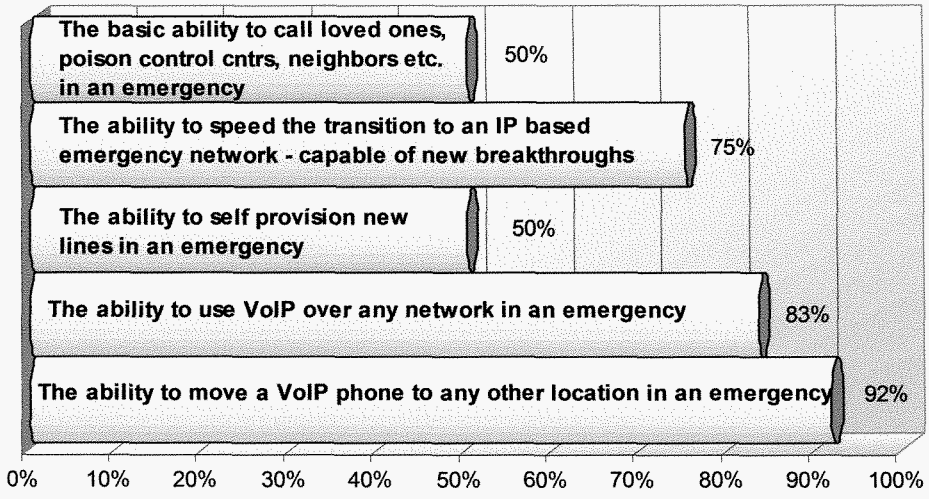
Nearly Half Of Respondents Expect to Have to Disconnect Customers.
Because there are no nationwide solutions, 42% of respondents are expecting to have to disconnect customers (all of whom currently have either a 911 or E911 service.) These include businesses, government agencies, families, and rural consumers.

- 92% of respondents serve small businesses
- 58% of respondents serve federal, state or local government agencies
- 75% of respondents serve rural customers

Disconnection Could Impede America's Ability to Communicate in an Emergency. VoIP users can only be harmed by having these potentially life saving VoIP services disconnected because they may only have basic 911 from locations where E911 is not yet available. Requiring the disconnection of residential, business, university, or government users can remove an important communications tool and does not promote the expeditious deployment of E911 for VoIP. No other type of phone service has ever been required by the FCC to disconnect consumers when they are capable of providing basic 911 but not E911. It would be tragic if a customer who today may have 911 as a part of their VoIP service had their VoIP service shut off and then attempted to use that service in an emergency. Moreover, not every emergency requires a call to 911. For instance, a mother may try to call a poison control center; a distressed teenager may try to call a suicide prevention line; a father may need to notify a child about the health of a grandparent; and a student may need to call home from her dorm to tell her parents she arrived at school safely. These are all examples of "emergency" calls that do not involve the dialing of 911.

- In fact, only 8% of survey respondents believe consumers, who may have a basic 911 service today, would be safer and more secure in an emergency with their VoIP service turned off.

Most Important Emergency Benefits (Beyond E9-1-1) That VoIP Can Provide

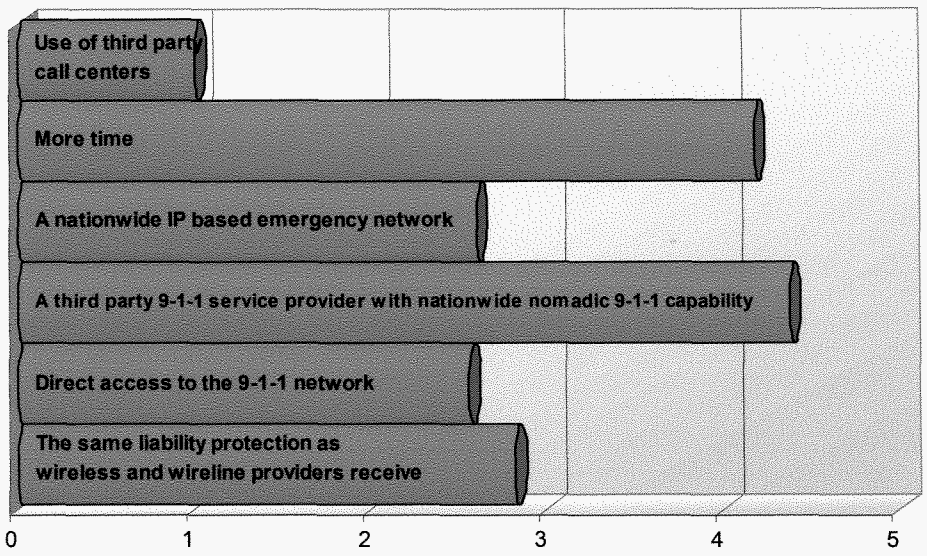


Paying Local 911 Charges. 92% of survey respondents pay local 911 charges -- either directly or indirectly.

Next Steps: How to Further Accelerate VoIP E911 Solutions:
When asked to rank the most important tools for further accelerating E911 solutions, respondents ranked in this order:

1. A third party 911 service provider with nationwide nomadic 911 capability
2. More time
3. The same liability protection as wireless and wireline providers receive
4. A nationwide IP based emergency network
5. Direct access to the 911 network

Most Important Tool For Further Accelerating E9-1-1 Solutions

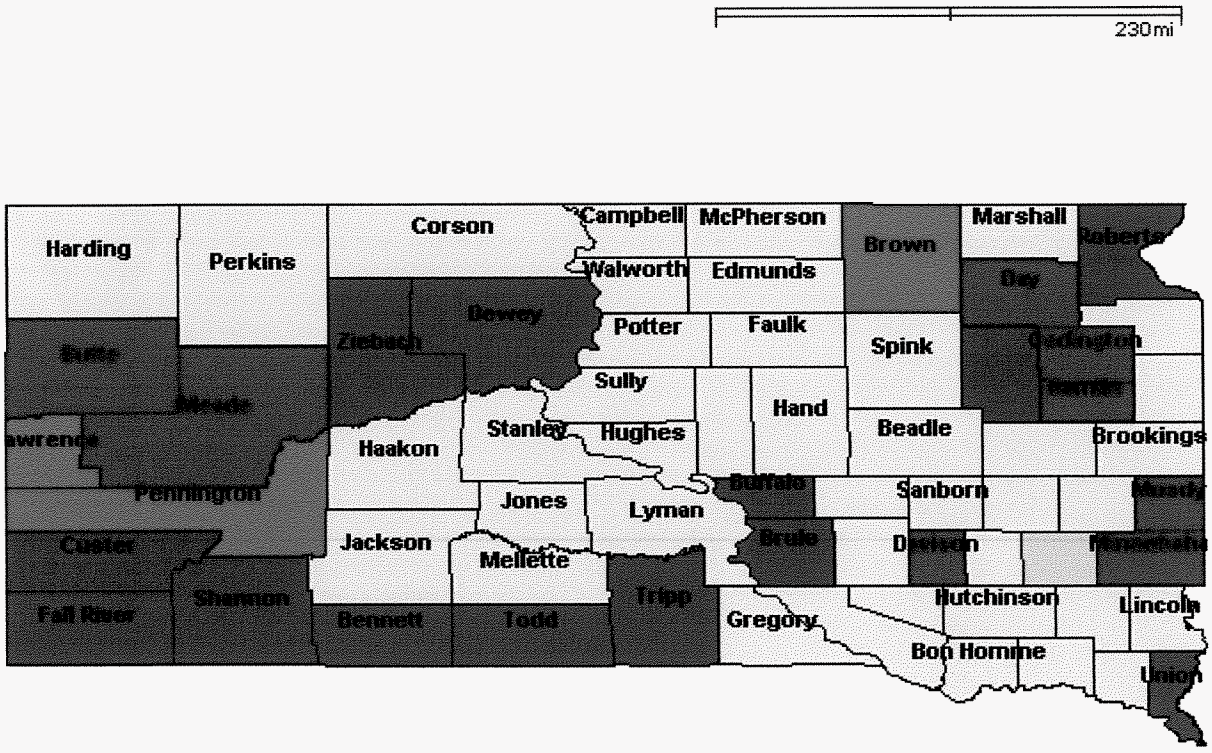


CONCLUSION:

VoIP providers are rapidly implementing E911 service for their customers. It is abundantly clear that the VoIP industry in general has made impressive progress thanks in part to FCC leadership. The VoIP industry has made E911 implementation progress faster than other phone services, will have fewer without E911 service than other phone services, and has better informed consumers than other phone services. However, there currently is no nationwide solution for either fixed or nomadic solutions – like every other phone service. Additional regulatory flexibility and time would facilitate the continued deployment of E911. In the meantime, the VON Coalition believes the FCC should not require interconnected VoIP providers to disconnect VoIP consumers who today may have a basic or enhanced 911 service. Instead, VoIP should be treated like every other phone service where policymakers have chosen specifically not to shut off of a basic 911 service while E911 is being deployed. Shutting off service could undermine the important progress created by the FCC's E911 Order.

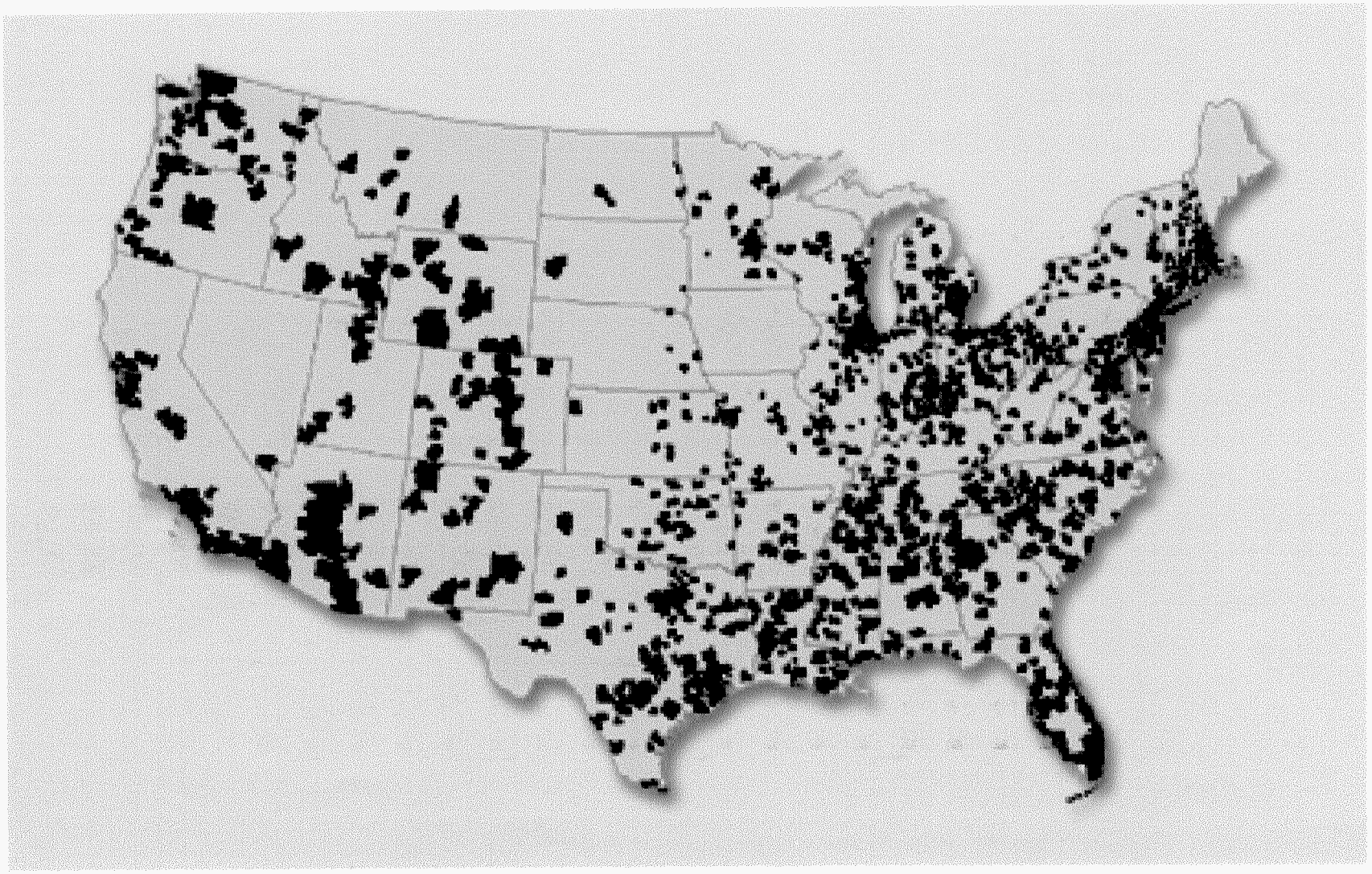
E9-1-1 Deployment Status in South Dakota

Graphic Source: National Emergency Number Association



no data available	Basic 911 or No 911	enhanced	started phase I	completed phase I	started phase II	completed phase II

E-911 For fixed-location VoIP users At the End of 120 Days



Source: Level 3 -- 67 percent of U.S. households with a goal of 70 percent by year end.

VON Coalition Members			
Acceris Communications	**Acceris Communications** is a broad based communications company, servicing residential, small and medium-sized business and large enterprise customers. It also holds patents related to Voice over Internet Protocol (VoIP) http://www.acceris.com/	Level(3)	**Level 3** is an international communications and information services company and is headquartered in Broomfield, Colorado. The company operates one of the largest communications and Internet backbones in the world. http://www.level3.com
ACCESSLINE communications	**AccessLine** Communications Corporation provides hosted communications and managed voice services to Fortune 1000 companies and telecommunications partners. http://www.accessline.com/	MCI	**MCI**, with headquarters in Ashburn, VA, is a leading provider of global communications services and operates an expansive IP backbone. http://www.mci.com
AT&T	**AT&T** provides a residential broadband Internet voice service called CallVantage. AT&T also provides enterprise IP Services as well as phone based VoIP services. http://www.att.com/	Microsoft	**Microsoft,** based in Redmond Washington, is a leading VoIP innovator for software, embedded systems, devices and enterprise applications. http://www.microsoft.com/
BT	**BT Americas** is an information and communications technology service provider which provides integrated data and value-added services. http://www.btamericas.com/	Mobilepro	**MobilePro**, MobilePro Corp. is a wireless technology and broadband telecommunications company based in Bethesda, Md. http://www.mobileprocorp.com/
CallSmart	**CallSmart** is a North Dakota company that is taking advantage of the latest Voice over Internet (VoIP) technology to provide an alternative to traditional long distance voice service. http://getcallsmart.com/	Expanding Communications MULTI-LINK	**Multi-Link** is a Kentucky-based manufacturing operation dedicated to the development and marketing of telecommunications and telephony devices. http://www.multi-link.net/
Cisco Systems	**Cisco Systems**, Inc. is a worldwide leader in networking for the Internet. Cisco VoIP Communications solutions help customers minimize costs while maximizing productivity and collaboration. http://www.cisco.com/	POINTONE	**PointOne** is a VoIP network provider and offers IP communications services to the provider community. It is based in Austin, TX. http://www.pointone.com/
CONVEDIA	**Convedia** Corporation is based in Vancouver, Canada. It is a supplier of next-generation IP media services. http://www.convedia.com/	pulver.com	**Pulver.com**, based in Melville, New York, is an early VoIP innovator and offers the Free World Dialup service which provides consumers Free Telephony over Broadband. http://www.pulver.com/
COVAD	**Covad**, based in San Jose California, is a leading national broadband service provider of high-speed Internet and network access utilizing Digital Subscriber Line (DSL) technology. http://www.covad.com/	skype	**Skype** is a Global P2P Telephony Company that is offering consumers free, superior-quality calling worldwide. http://www.skype.com/
EarthLink	**EarthLink**, based in Atlanta Georgia, is a leading national Internet service provider (ISP). http://www.earthlink.net/	T-Mobile	**T-Mobile USA**, based in Bellevue, Washington, is a nationwide wireless service provider, offering all digital voice, messaging and high-speed wireless data services. http://www.t-mobile.com/
iBasis	**iBasis,** based in Burlington, MA provides wholesale international telecommunications services, and has carried more than 6 billion minutes of international voice traffic. http://www.ibasis.com/	USA DATANET	**USA DataNet**, USA Datanet is an integrated communications company uses VoIP to deliver enhanced communications services to residential and business customers across the United States. http://www.usadatanet.com/
intel	**Intel** is the world's largest chip maker. Based in Santa Clara, CA, it also manufactures computer, networking and communications products. http://www.intel.com/	VocalData A Tekelec Company	**VocalData**, based in Richardson, Texas, provides hosted IP telephony applications that enable service providers to reliably and cost-effectively deliver voice-over-IP solutions. http://www.vocaldata.com/

intrado®	**Intrado,** based in Longmont, CO., provides emergency service solutions to Enable VoIP 9-1-1 calls, to the public safety and telecommunications industries. http://www.intrado.com/	BMX	**BMX**, based in New York, is a competitive provider of call center applications using Internet-based telecommunications services. http://www.bmx-inc.com/
NewGlobal Telecom	**New Global Telecom,** Headquartered in Golden, Colorado, provides telephony solutions to service providers worldwide, including wholesale VoIP telephony services that enable service providers to enter the Hosted IP Telephony marketplace. http://www.ngt.com/	switch communications group	**Switch Business Solutions,** a Nevada based company providing VoIP Business solutions and collocation facilities. http://www.switch2switch.com
pandora networks	**Pandora Networks,** headquartered in Emeryville, California, is an advanced IP communications company dedicated to the delivery of complete and On Demand communications services for the Small and Midsize Business. http://www.pandoranetworks.com/	OPENWAVE®	**Openwave** is a provider of open software products and services for the communications industry, including wireless operators, broadband providers and device manufacturers worldwide. http://www.openwave.com/us/